

**List of Entities on Rating Watch for 4<sup>th</sup> Quarter 2025 (period covering 01.10.2025 – 31.12.2025)**

No	Issuer / Entity	Issue size & Instrument	Last rating action	MARCWatch	Subsequent rating action	Chronology on MARCWatch
1	Kuwait Finance House (Malaysia) Berhad (KFH Malaysia)	Financial Institution Ratings	AA+/MARC-1	Developing	<p>The MARCWatch Developing placement follows KFH Malaysia's announcement that it will voluntarily withdraw from the Malaysian market and wind down its banking business in the country. This is in line with its parent group KFH Group's strategic decision to focus on the Middle East region.</p> <p>Kuwait Finance House KSC which owns 100% in KFH Malaysia has given an undertaking to facilitate the gradual winding down process by providing resources and liquidity support, if necessary. Meanwhile, MARC Ratings is monitoring the winding-up progress to provide updates to stakeholders of KFH Malaysia and will withdraw the MARCWatch Developing status as the bank completes its winding process.</p>	August 1, 2024
					<p>Since the announcement, KFH Malaysia had not been willing to share information on the progress of its winding process for MARC Ratings to effectively carry out its duty. The rating agency then suggested to the company that it will withdraw the rating watch and cease analytical coverage. Following this, KFH Malaysia requested MARC Ratings to continue to maintain surveillance to avert potential concerns on its winding-down process and agreed to provide updated information on a monthly basis.</p> <p>Accordingly, the MARC Watch Developing was extended on December 3, 2024. The rating</p>	December 3, 2024

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					<p>agency notes that the winding down process has progressed without major hitches and with the continued support from parent Kuwait Finance House KSC.</p> <p>As at end-November 2024, the sale of the retail business loan book is expected to close by 1Q2025 (including approval from BNM). The corporate banking loan book is expected to be offboarded through settlement and refinancing from other banks. The divestment of their treasury portfolio will commence upon completion of the retail and corporate banking exercises, and is expected to be completed by 1Q2026.</p>	
					<p>MARC Ratings extended KFH Malaysia's MARC Watch Developing status on March 3, 2025. Based on updates provided by KFH Malaysia, the rating agency notes that the winding down process is progressing as scheduled, with the continued support from parent Kuwait Finance House KSC. KFH Malaysia has advised that the bank's funding and liquidity situation has been stable since the exit announcement.</p> <p>As at end-February 2025, negotiations are ongoing for binding offers received on the bank's retail loan book, with internal and regulatory approvals projected by KFH Malaysia to conclude within Q2 2025. The corporate banking loan book will be offboarded through settlement and refinancing from other banks.</p> <p>Divestment of the bank's treasury portfolio will commence upon completion of the retail and</p>	March 3, 2025

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					corporate banking exercises, and the entire winding down process is expected to be completed by Q1 2026.	
					<p>MARC Ratings extended KFH Malaysia's MARC Watch Developing status on June 3, 2025. Based on updates provided by KFH Malaysia, the rating agency notes that the winding down process is progressing as scheduled, with the continued support from parent Kuwait Finance House KSC.</p> <p>As at end-April 2025, negotiations are ongoing for binding offers received on the performing portion of the bank's retail loan book, while sale of the non-performing portion is pending regulatory approval. The corporate banking loan book will be offboarded through settlement and refinancing from other banks, targeted to complete by Q4 2025.</p> <p>Divestment of the bank's treasury portfolio will commence upon completion of the retail and corporate banking exercises, and the entire winding down process is expected to be completed by Q1 2026.</p>	June 3, 2025
					MARC Ratings extended KFH Malaysia's MARC Watch Developing status on 3 September 2025. Based on updates provided by KFH Malaysia, the rating agency notes that the winding down process is expected to progress past 1Q2026 to allow for operationalisation of the sale and transfer of the bank's asset portfolios, with continued support from parent Kuwait Finance House KSC.	3 September 2025

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					<p>As at end-July 2025, the bank has secured a buyer for the performing portion of its retail portfolio and is in the process of finalizing transitional arrangements, while sale of the non-performing portion is pending regulatory approval. The corporate banking loan book will be offboarded through settlement and refinancing from other banks, targeted to complete by Q4 2025.</p> <p>Divestment of the bank's treasury portfolio will commence upon completion of the retail and corporate banking exercises. The bank will provide a revised timeline in Q4 2025.</p>	
					<p>MARC Ratings extended KFH Malaysia's MARC Watch Developing status on 3 December 2025. The expected completion date for the winding down process has been revised to 4Q2026 to allow for the sale and transfer of the bank's asset portfolios, with the continued support from parent Kuwait Finance House KSC.</p> <p>As at end-October 2025, the bank has secured a buyer for the performing portion of its retail portfolio and will begin seeking regulatory approval, while approval for the sale of the non-performing portion is still in progress. The bank has also made significant progress in offboarding its corporate portfolio, with minimal credit exposures that remain outstanding.</p>	3 December 2025

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					Divestment of the bank's treasury portfolio will commence upon completion of the retail and corporate banking exercises.	